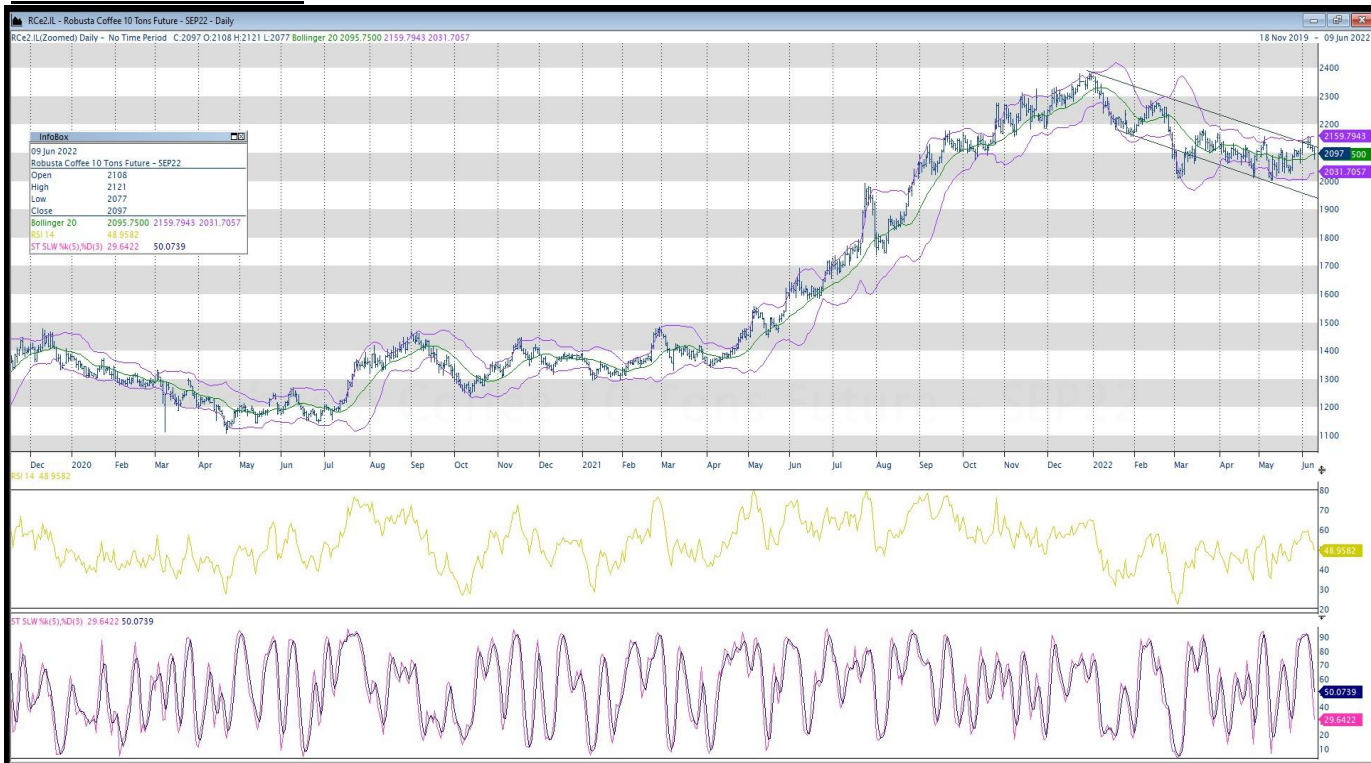


LONDON ICE MARKET



LONDRES

Posición	último	dif	alto	bajo	cierre
JUL22	2086	-19	2106	2063	2105
SEP22	2099	-18	2121	2077	2117
NOV22	2091	-15	2115	2069	2106
JAN23	2079	-13	2090	2056	2092

NUEVA YORK

Posición	último	dif	alto	bajo	cierre
JUL22	232,50	0,65	234,30	230,30	231,85
SEP22	232,60	0,60	234,40	230,50	232,00
DEC22	231,70	0,20	233,55	229,95	231,50
MAR23	230,40	0,00	232,15	228,75	230,40

London ICE:
Supports: 2100, 2115 & 2065
Resistances: 2145, 2215 & 2245

New York ICE:
Supports: 230,75, 222,50, 212,75 & 202,50
Resistances: 238,75 & 258,75

NEW YORK ICE MARKET



WEEKLY MARKET REPORT



BRAZIL

The latest report from the USDA pegged Brazil's 2022-2023 coffee crop at 64.3 million bags (60 kilograms per bag), green equivalent, an increase of 6.2 million bags relative to the revised figure for the previous crop year (58.1 million 60-kg bags).

Arabica production is projected at 41.5 million bags, an increase of 14 percent vis-a-vis the previous season. Most of the producing areas are in the on-year of the biennial production cycle and rainfall volumes have been mostly favorable in all growing regions as of October 2021, supporting the development and filling of the fruits. However, weather-related issues in some areas such as below average rainfall that prevailed until September 2021 and the severe frosts in June/July 2021 have affected Arabica coffee trees' first blossoming and fruit setting, thus reducing the production potential for the upcoming crop. Note that the Arabica crop for 2022/23 is expected to be down 8.2 million bags (16 percent) compared to the 2020/21 Arabica crop (49.7 million bags). The 2020/21 Arabica crop was the latest coffee crop with trees on the on-year of the biennial production cycle and expressing their full production potential.

Robusta/Conilon production is forecast at 22.8 million bags, a 1.1-million-bag increase relative to the previous crop season. Above-average weather conditions (rainfall volumes and temperature) and good crop management resulted in good blossoming and fruit setting in most coffee fields. A marginal increase in the harvest area also supports the expected increase in production. Robusta/Conilon harvest started in April in major growing areas.

Safras & Mercado said that 18% of the '22/23 Brazil coffee harvest was done as of 31st May, that compares to 20% a year earlier and 13% a week before. The percentage is equivalent to 11.15m bags according to Safras.

There is consensus that harvesting is late due to lack of labor. Zona da Mata players reporting only 1/3 of labor availability compared to previous years. Cherries are getting matured on the trees which leads to quality damage. We should expect a lower availability of Fine Cup and Semi-washed this season. Cost of manual harvesting also more than doubling, which will impact on final cost of production for producers.

Taka insights, which produces daily crop prediction models using remote sensing and data from weather stations, projected Brazil's 2023/24 (July-June) arabica coffee production at 40.68 million 60-kg bags, a small increase from the 2022/23 crop seen at 38.48 million bags that is currently being harvested. As per the prediction Company, this might surprise to some, who anticipated a much greater recovery due to a few months of well-above-average rainfall, but their data shows the extreme deficit in moisture at the start of the vegetative growth cycle. Soft commodities analyst Judith Ganes, a co-founder of Taka Insights coffee program, said the data collection is now covering close to 75% of the arabica area in Brazil with daily monitoring.

Brazil's Agriculture Minister Marcos Montes on Tuesday said the 2022/23 grain crop is "saved" as Russia is still sending fertilizers to the South American nation. Faced with supply uncertainties related to Russia's war in Ukraine, Brazil negotiated with Russia to secure fertilizer shipments, Montes said. Brazil, which imports over 85% of its needs, has purchased 16.64 million tons of fertilizers through May, up 16.5% from the same period in 2021. Russia has sold 3.06 million tons of fertilizers to Brazil during the period, making it the country's No. 1 supplier.

Rain returns to coffee areas from today. In the north of Paraná, Carlópolis-PR will receive approximately 25mm, in São Paulo, it is estimated 20mm in Alta Paulista and 5mm in Alta Mogiana until Saturday. In Baixa Mogiana, rain will take place between today and Sunday with an accumulated 30mm. In the Cerrado of Minas Gerais, precipitation will occur between Sunday and Wednesday of the next week with an accumulated around 5mm. In the South of Minas Gerais, there is a greater chance of rain between Thursday and Sunday with an accumulated around 5mm. In Zona da Mata, the rain will happen between Saturday and next Wednesday with an accumulated 10mm.

VIETNAM

The Vietnam Customs Authority have reported that Vietnam's coffee exports for the month of May have registered 11.50% lower from the previous month, at 2,322,550 bags. This number is proving to be slightly lower than the 2.50 million bags that had been initially forecast for the month's coffee exports. This sees the cumulative export performance for the first eight months of the current October 2021 to September 2022 coffee year in Vietnam, the largest producer of robusta coffee at 2,619,517 bags or 15.27% higher than the same period in the previous year, at a total 19,776,417 bags.

The General Statistics office of Vietnam have at the same time reported the country's coffee revenue value for the first five months of the 2022 calendar year, is reported at 46.15% higher than the same period in the previous year, at a total of approximately 1.90 billion US Dollars.

CENTRAL AMERICA / COLOMBIA

Colombia announced that coffee production within the country increased 65% to 1,000,000 bags in May compared to the same month in 2021. Jan-May production fell 4% to 4.5m bags. In marketing year 2022/23, Colombia's coffee production is forecast to remain unchanged at 13 million bags. Although weather conditions are expected to be normal, crop productivity has the potential to be negatively impacted because of lower fertilizer use due to rising prices.

The USDA said that **Guatemala's** '22/23 output is seen down 17% to 3.36m bags as a 'direct result from the global crisis in oil prices and agricultural inputs. Cost of production increased 32% as fertilizer prices continue doubling and migration is negatively impacting labor availability.

Mexico coffee production for marketing year (MY) 2022/23 is projected at 3.84 million 60 kg/bags, on optimal weather conditions during the fruit development stage in the top producing states that will improve yields and sustained strong global prices that will incentivize optimal harvest.

OTHERS

India - Post forecasts marketing year (MY) 2022/23 coffee production (Oct/Sep) to increase by 3.8 percent to 5.74 million 60-kilogram bags. Above normal pre-monsoon rains coupled with expectations of an early onset of normal monsoon are expected to improve yields, especially for Robusta in major growing regions. Farmgate prices are trading at decade high rates; however, producers continue to face rising input costs. Post forecasts exports to increase by 2.4 percent to 5.98 million 60-kilogram bags, but supply chain issues persist.

DEMAND / INDUSTRY

The J.M. Smucker Co. yesterday announced results for the fourth quarter of its 2022 fiscal year ending April 30, 2022. Net sales rose to \$2,033.8 million, up 6% on year. Net sales for U.S. Retail Coffee totaled \$647.2 million, up 11% on year.

NY Certified stocks decrease 2,672 bags to 1,025,680 bags.

QUOTATION EURO / US DOLLAR

€/US\$ rate	last	high	low
EUR/USD Euro/US Dollar	1,06473	1,07738	1,06452

The European Central Bank, in its meeting today, confirmed that it will end its bond-buying program (money printing) from July and, without saying it directly, shows that also from July we can expect the start of increases in the interest rate. The first move is estimated to be 25 basis points, but with an expectation that by the end of the year more than 125 basis points will be reached. The ECB has not touched interest rates in 11 years.

China is once again implementing closures of activities in parts of Shanghai, in an ongoing struggle to maintain the 0 tolerance policy against COVID. Shanghai was quarantined for 2 months, until last week when China had declared victory against the virus in the city. The market has not taken this as a sign of widespread closing risk and oil remains trading above \$120 a barrel.

Several economists are beginning to show some concern that the economy can withstand the changes that the Fed has begun to make (rate hike). The concern is that this time, unlike the other periods of high inflation, businesses, consumers and banks are in good financial health. This means that despite the Fed's efforts to contain inflation, economic actors can endure longer paying for more expensive things, extending the adjustment period.

ADDITIONAL COMMENTS

The ICO released their latest statistics report. Key takeaways were that the ICO saw world coffee exports amounting to 10.92 million bags in April 2022, compared with 11.24 million in April 2021. Exports in the first 7 months of coffee year 2021/22 (October/21 to April/22) have increased by 0.6% to 78.01 million bags compared with 77.52 million bags in the same period in 2020/21 and in the twelve months ending April 2022, exports of Arabica totaled 80.47 million bags compared with 82.95 million bags last year; whereas Robusta exports amounted to 49.54 million bags compared with 47.45 million bags for the previous year.



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